United Nations A/C.2/58/SR.20

General Assembly
Fifty-eighth session

Official Records

Distr.: General
27 October 2004
English
Original: French

Second Committee

Summary record of the 20th meeting
Held at Headquarters, New York, on Thursday, 23 October 2003, at 10 a.m.

Chairman: Mr. Chowdhury ..... (Bangladesh)
later: Mr. Raubenheimer (Vice-Chairman) ..... (South Africa)

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04-57665 (E)

The meeting was called to order at 10.25 a.m.

Agenda item 91: Macroeconomic policy questions *(continued)* (A/58/131-S/2003/703 and A/58/413)

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(f) Outcome of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation *(continued)* (A/58/388 and A/C.2/58/3)

1. **Mr. Aho-Glele** (Benin), speaking on agenda item 91(f), said that his delegation supported the statement made by Morocco on behalf of the Group of 77 and China. He was pleased at the success of the Ministerial Conference and the adoption of the Almaty Programme of Action, which had made it possible to identify the needs of landlocked countries while taking into account the concerns of transit countries. The Programme provided a global framework for action in setting up effective transit transport systems in two categories of countries.

2. Benin was a transit country which served as an outlet to the sea for four landlocked countries, namely, Niger, Burkina Faso, Chad and Mali, with a total population of over 40 million. Cotonou was one of the busiest ports in West Africa. Benin also had a good air, road and railway transport infrastructure. The landlocked and transit developing countries needed to engage in dialogue and cooperate with each other in order to meet the challenges they faced in the area of transport. A partnership between the landlocked countries, the transit countries and their development partners was essential to the implementation of an efficient transit transport system such as the one proposed in the Almaty Programme of Action. The achievement of the ambitious objectives set forth in the Programme of Action was a matter of urgency. The Programme of Action also opened up possibilities for South-South cooperation, and Benin urged other developing countries to become more involved in implementing projects in that area.

3. **Mr. Tharoor** (Under-Secretary-General for Communication and Public Information) said that information and communication technology was not an end in itself, but a means to supply content and an effective tool for promoting learning, improving know-how and creating awareness of the rights, freedoms and imperatives of development. Timely access to news and information could promote trade, education, employment, health and wealth. However, a large share of the world's population could not benefit from the technological revolution, and that situation must be remedied. The World Summit on the Information Society would be the first gathering to address the role of communication in promoting development and discuss cybersecurity problems, management of the Internet, freedom of expression in the information age and measures to be taken in that regard.

4. Freedom of the press, including the electronic press, was one of the salient points that would be discussed at the World Summit. The Secretary-General had said that he was persuaded the Summit would provide an opportunity to reaffirm the universal nature of press freedom for all media. It went without saying that freedom and access to information went hand in hand; the information revolution was infinitely linked to political freedom. It was in the interest of governments not to yield to the temptation to control and censor information.

5. The rich countries could support freedom of the press by facilitating the access of developing countries to information technology, helping them improve their infrastructure and sharing their technological innovations with them. The texts to be issued by the Summit should reaffirm the universality of press freedom in all media, including the Internet. In a number of international declarations, the States Members of the United Nations had reaffirmed that the

right to freedom of opinion and expression, as set forth in article 19 of the Universal Declaration of Human Rights, applied to freedom of the press. That principle was also included in the 1991 Declaration of Windhoek on Promoting an Independent and Pluralistic African Press, and the 1997 Declaration of Sofia. At the World Summit, States would be invited to reaffirm the principles they had already laid down in the five regional declarations on independent and pluralistic media.

6. The free circulation of information was in the interest of all countries. Interdependence meant that those countries that could receive and disseminate information freely had an advantage over those that did not have that opportunity. The ability to receive, appropriate, transmit and exchange information through electronic networks had become essential for the health of economies and civil societies. Freedom of the press should not, however, be an excuse for disseminating and promoting just any idea, product or cause. All countries imposed some limitations in order to protect the right to privacy and prevent criminals and terrorist groups from exercising freedom for illicit purposes. Some governments had closed down Internet sites that carried child pornography or incited to anti-Semitism, Islamophobia or racial hatred. Those measures had been taken in accordance with domestic criminal legislation and did not constitute a threat to freedom of expression. The challenge faced by representatives of Member States participating in the Summit would be to ensure that the spirit of article 19 of the Universal Declaration of Human Rights was not sacrificed on the altar of reasonable restrictions on communication that States wanted to impose.

7. In order to promote press freedom and encourage the media to discuss trends in the information society, the Department of Public Information would organize the World Electronic Media Forum, to be held from 9 to 11 December in conjunction with the World Summit and in collaboration with the European Broadcasting Union and Switzerland.

8. It was important not to forget the multicultural aspect of press freedom. All stakeholders in the information society, particularly in the developing countries, should have the means, the resources and the infrastructure to create and disseminate original content, in keeping with their own cultural identity and in their own language. The Summit should encourage the creation of culturally sensitive content. Cultural diversity and pluralism were essential to the advent of an information society that excluded no one.

9. **Mr. Kittikhoun** (Lao People's Democratic Republic), speaking on agenda items 91(c) and (f), said that the Group of Landlocked Developing Countries, over which he presided, aligned itself with the statement made by the representative of Morocco on behalf of the Group of 77 and China. It was thanks to the efforts of that group and the support of the international community that it had been possible in August 2003 to hold the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation. As a result of the Conference and the adoption of the Almaty Programme of Action, the special needs of landlocked developing countries were now central to the international community's concerns in regard to development. Another important achievement was the establishment of a global framework for action for developing efficient transit transport systems in landlocked and transit developing countries, taking into account the interests of both landlocked and transit developing countries.

10. The landlocked developing countries now had a new tool to help them find solutions to their special problems. They would be able to reduce transport costs for their exports and become competitive in the world trade system; they could integrate regional and global economic activities and ensure their sustainable development. It was now up to the stakeholders to translate the commitments they had made at the Conference into specific programmes and projects. In that regard, the Group reaffirmed its strong support for the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, which would be responsible for overall coordination of the follow up to and implementation of the Almaty Programme of Action. He suggested that all of the issues relating to landlocked developing countries that were being considered by the General Assembly should be regrouped under a new agenda item. The same system should also be applied for the Programme of Action for the Least Developed Countries and the Programme of Action for the Sustainable Development of Small Island Developing States. The General Assembly should request the Secretary-General to submit an annual activity report on the implementation

of the Almaty Programme of Action. He called on donor countries and all other partners to respect the financial commitments they had made at the Ministerial Conference in order to ensure that the Programme of Action would become a reality.

11. *Mr. Raubenheimer (South Africa), Vice-Chairman, took the Chair.*

12. **Mr. Belkas** (Algeria), speaking on agenda items 91(b), (d), (e) and (f), said that his delegation endorsed the statement made by the representative of Morocco on behalf of the Group of 77 and China. With regard to agenda item 91(d), he said that developing countries had made a net transfer of financial resources to other countries in 2002 for a sixth consecutive year, as net financial outflows had exceeded receipts of foreign investment income and net financial inflows from abroad. During the same year, they had only received an estimated $75 billion in net capital inflows, less than one half the average annual level in the mid-1990s, mostly from foreign direct investment and loans and grants from multilateral and regional development banks and the International Monetary Fund (IMF). Thus, the developing countries and countries with transition economies were particularly vulnerable to the risks of the global economy. It was therefore essential to review the structure of the international financial system so as to reduce the risks of financial instability and allow developing countries to have a say in the matter. He noted with satisfaction that IMF had adopted a new framework for exceptional access to its resources in capital-account crises.

13. Referring to the question of science and technology for development, he stressed the importance of information and communication technologies for development, particularly for the developing countries, given that they offered opportunities for addressing some of the problems that hindered them. In that regard, the international community should reaffirm the right of developing countries to take full advantage of the flexibility offered by international agreements such as the Agreement on Trade-Related Aspects of Intellectual Property Rights. Despite being at a disadvantage in that regard, the developing countries were striving to integrate science and technology into their development policies with a view to attaining the development goals set forth in the Millennium Declaration. Algeria was convinced that equitable access to information was a key element of sustainable development. It looked forward with interest to the forthcoming World Summit on the Information Society and was actively involved in the preparatory stage thereof.

14. The problem of the debt and official development assistance was still on the table despite the initiatives that had been taken here and there, such as the Heavily Indebted Poor Countries Initiative (HIPC), but the agreed debt-relief measures were still inadequate. The debt remained a formidable obstacle to economic development and to the realization of the Millennium Development Goals, which called for increased official development assistance.

15. Algeria welcomed the holding of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation and the Declaration issued at the Conference. The Monterrey Consensus was still the basic document that should guide efforts to revamp the international economic and financial systems with a view to helping the developing countries find their place in the globalization process and enabling the international community to better manage development assistance.

16. **Mr. Choisuren** (Mongolia), speaking on agenda item 91(f), said that his country supported the statement made by the representative of the Lao People's Democratic Republic on behalf of the Group of Landlocked Developing Countries, which had special development problems. Those countries, many of which were sparsely populated, found it difficult to improve their production and consumption through economies of scale. Most of them were vulnerable to weather hazards, which could wipe out their long-term investments in the crops or livestock on which most of the population depended for their livelihood. Because of their geographic position, they were often isolated economically, and that problem was aggravated by under-development, lack of infrastructure and transit transport problems.

17. The landlocked developing countries should take their destiny into their own hands. They should strengthen cooperation and set up transit transport networks and systems. In order to tackle that formidable task, however, they would need financial support from international donors, including financial

and development agencies, and know-how from developed countries.

18. Mongolia was anxious to strengthen partnerships with all stakeholders, particularly its nearby neighbours. Accordingly, it was negotiating a transit transport agreement with the Russian Federation and China with a view to energizing trade and investment, fostering the transport of goods and strengthening economic cooperation in the region.

19. Market access should be opened up to landlocked and transit developing countries, trade barriers should be lifted, and those countries should be allowed to conduct trade on preferential terms. The trade-facilitation and confidence-building measures envisaged in the Doha work programme should be adopted and applied as soon as possible.

20. The United Nations agencies should provide more assistance to landlocked and transit developing countries in their efforts to build efficient transit transport systems that would enable them to increase trade and accelerate their development and thus ensure that the Almaty Ministerial Conference would produce results.

21. **Mr. Lolo** (Nigeria) said that his country supported the statement made by the representative of Morocco on behalf of the Group of 77 and China. The foreign debt was a heavy burden for the developing and transition economies. Despite the increase in total net private and official capital flows to the developing countries, net flows, which included reserve accumulation, had been negative in 2002.

22. Debt amortization accounted for the bulk of financial transfers from the heavily indebted poor countries, requiring them to cut their budgets for education, health, infrastructure and poverty eradication. That was the case of Nigeria, which spent more on foreign debt repayment than on education and health care. The devaluation of the national currency, together with the growing gap between wages and the cost of living, had created a new category of poor people.

23. The measures that had been taken in the context of the Heavily Indebted Poor Countries Initiative had not only proved to be inadequate but they had diminished the countries' ability to manage their indebtedness. Once a country had reached the Completion Point, it was no longer able to maintain a tolerable level of indebtedness and became dependent on trading conditions, fluctuations in commodity prices and the volatility of financial markets. They often had no say in the design and implementation of macroeconomic stabilization and structural adjustment programmes.

24. Donors had not fulfilled their commitment to contribute to the HIPC Trust Fund, and consequently, very few countries had actually benefited from the Initiative. Even countries that were on the brink of disaster as a result of armed conflict had not been exempted from servicing their debt.

25. The foreign debt of developing countries was also the cause of their under-development. In order to triumph over poverty, hunger and sickness and attain the other Millennium Development Goals, the developing countries should be able to rely on external financial aid, and their debt should be reduced or cancelled. It did not make sense to mobilize resources for sustainable development without first seeking a solution to the debt crisis. Nigeria would be in favour of expanding the dialogue which the Economic and Social Council had started with the Bretton Woods institutions and the World Trade Organization so as to include the members of the Paris and London Clubs.

26. **Mr. Moret** (Switzerland) said that his country had decided to prepare for the World Summit on the Information Society in a spirit of partnership, giving different stakeholders an opportunity to express their views while leaving decisions up to the governments. The negotiations on the Summit plan of action were well underway, but progress had been slower on the declaration of principles. The declaration still lacked a strong focus on poverty and the Millennium Development Goals, as well as the role of information and communication technologies and the private sector in creation of jobs and wealth. It was also important to include the principles of the rule of law and respect for human rights as the very foundation of the world information society.

27. A number of other events, all characterized by a spirit of innovation, would be held during the Summit. Those events would be aimed at demonstrating the potential role of information and communication technologies in fighting poverty and promoting development; expressing commitment to the cause of development and opening up prospects for action; explaining the growing role of radio, television and the

Internet in the information society and their impact on economic, social and cultural development; and helping participants understand the contribution of science to the development of information and communication technologies.

28. **Mr. Kogda** (Burkina Faso) said that his country endorsed the statements made by the representative of Morocco on behalf of the Group of 77 and China and by the representative of the Lao People's Democratic Republic on behalf of the Group of Landlocked Developing Countries. In order to help the landlocked and transit countries overcome the unique obstacles they faced, a solution must be found to the problems of transit transport, the high cost of which hindered the growth of their exports and limited the export market. Their foreign debt should be cancelled, and they should be given increased access to markets in developed countries. Recognizing the need for cooperation between countries to solve transit transport problems, Burkina Faso planned to increase consultations with its neighbours.

29. Despite the failure of the fifth Ministerial Conference of the World Trade Organization (WTO), the developing countries should pursue their dialogue with the industrialized countries in order to ensure that their interests would be taken into account in multilateral trade negotiations.

30. **Mr. Yahya** (Israel) said that the well-being of mankind depended on science and technology, and individual countries and the international community should assume their responsibilities in that regard. Being a small country with an encroaching desert, Israel had long ago learned that scientific innovation was key to its survival. Financing research and development was also a national priority. Those activities covered different technologies in agriculture, energy and other fields and were geared towards addressing the problem of desertification, developing new plant and animal species for food, studying genetic diseases for the purpose of developing vaccines, and devising systems for detecting weather hazards, the onset of epidemics and other disasters.

31. The benefits of science and technology were not only the result of research and development activities. They were first and foremost the result of cooperation, training and sharing of knowledge among scientists, governments and consumers.

32. **Mr. Maiga** (Mali) said that the Almaty Programme of Action reflected the firm determination of the international community to respond to the particular needs and problems of landlocked developing countries by emphasizing concrete measures, including the creation of partnerships to benefit the landlocked developing countries and their neighbouring transit countries. The donor community should support the work of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States by making voluntary contributions to the trust fund that had been set up for that purpose. The Programme of Action was intended to make it possible for the landlocked developing countries to increase their participation in world trade; in that regard, his delegation deeply regretted the breakdown of negotiations at the fifth Ministerial Conference of WTO in Cancun, particularly the talks on commodities. Cotton was of strategic importance to Mali, since it accounted for most of the country's export revenues. His delegation hoped that negotiations would be resumed shortly so as to open up the world market and make it more equitable. The measures envisaged in the Almaty Programme of Action, if implemented, would contribute towards the development of efficient transit transport systems, which were essential to enable the landlocked countries to play an effective role in the international trade system.

33. **Ms. Ninh Thi Binh** (Viet Nam) said that science and technology should be at the forefront of development strategies in order to become a moving force for national socio-economic development. Many developing countries were not benefiting from existing biotechnologies or from the potential of information and communication technologies (ICT) because of the many obstacles they faced, such as lack of infrastructure, lack of capacity and investment and the high cost of technology transfer. Developed countries should transfer technology to developing countries on favourable terms so as to enable them to achieve global development goals. North-South and South-South cooperation and partnerships should be deepened at all levels. An international mechanism was needed to support and coordinate activities aimed at promoting science and technology. The Commission on Science and Technology for Development should be strengthened, and it should help in the design of appropriate strategies for the development of science and technology in the developing countries.

34. Viet Nam would participate actively in the World Summit on the Information Society, to be held in Geneva in December 2003 and in Tunisia in 2005. Her delegation hoped that the Summit would provide an opportunity to remedy the digital divide and enable the developing countries to take advantage of information and communication technologies. Her Government attached great importance to the role of science and technology in national development and, despite its financial difficulties, had earmarked two per cent of the national budget for scientific and technological research. Viet Nam had increased its cooperation with other countries and would welcome any partners, from the North or the South, from civil society or the private sector, who wished to cooperate in the field of science and technology.

35. **Mr. Shin** Boo-nam (Republic of Korea), speaking on agenda items 91 (b) and (c), said that the international community was in duty bound to seek solutions to ensure a more equitable distribution of the benefits of globalization in order to ensure that all countries and peoples could profit from it, including the landlocked countries. From that standpoint, the International Ministerial Conference on transit transport had provided a useful framework for examining the particular needs and problems of landlocked countries and their neighbours.

36. In the first place, the Republic of Korea shared the view that it was essential to create efficient transit transport networks to further the economic development of landlocked developing countries. Bearing in mind its own experience, it wished to stress the need for integrating plans for such a network within an overall national development strategy and to appeal to the international community to work together develop a collective vision. His delegation supported the multi-stakeholder approach advocated in the Almaty Programme of Action. Considering the exorbitant cost of setting up and maintaining a transit transport network, the assistance of donor countries and agencies was of the utmost importance. The role of the private sector must also be taken into account. His delegation also wished to stress the importance of regional cooperation to be provided through regional and subregional organizations in order to achieve sustainable development in the landlocked developing countries. The Economic and Social Commission for Asia and the Pacific was playing an active role in promoting the project on development of the land transport infrastructure in Asia. The Republic of Korea was closely associated with the project on the construction of a trans-Asian railway system.

37. Another area in which the advantages of globalization were unequally distributed was that of information and communication technologies. Those technologies were among the most effective instruments for boosting productivity, economic growth and overall development. They must be placed at the service of development, because the digital divide between countries that had an ICT infrastructure and those that did not was steadily growing. His delegation had great expectations for the World Summit on the Information Society. It trusted that the issue of reducing the digital divide would be addressed in the draft declaration of principles and was contributing to the draft plan of action which had been drawn up for the Summit. It was to be hoped that the differences that had come to light regarding different aspects of the draft plan of action, including those pertaining to the rules governing the operation of the Internet and the right of access to information, would be smoothed out at the third session of the Preparatory Committee.

38. **Ms. Syed Hussin** (Malaysia) said that her delegation endorsed the statement made by the representative of Morocco on behalf of the Group of 77 and China and announced that she would be speaking on agenda item 91(d).

39. Although Malaysia welcomed the efforts that had been made over the last few years to reform the international financial architecture, it felt that they still fell short. The international community had not yet managed to develop a well-adjusted financial system that would not be vulnerable to market dysfunction and that would ensure a more efficient distribution of resources throughout the world and improve the outlook for the global economy, particularly for the developing countries. The steps that had been taken to date to improve the system must be followed through as a matter of urgency. Her delegation welcomed the holding, during the current session of the General Assembly, of the High-level Dialogue on Financing for Development, as well as of the April 2003 Special high-level meeting of the Economic and Social Council with the Bretton Woods Institutions and the World Trade Organization (WTO). She noted with satisfaction that the World Bank and the International Monetary Fund (IMF) were planning to step up their efforts in a number of important fields. The forces of change that

the economies faced had an essentially international dimension. Consequently, a global approach was necessary to give every country in the world the opportunity to participate in the globalization process and in the benefits it would bring.

40. Although the Monterrey Consensus had helped restore the developing countries' confidence in the prospects for strengthening international cooperation, they needed to be able to rely on a sound international financial system to shore up their economic development. Reforms were needed in order to ensure that markets would not be destabilized as a result of the liberalization of capital transactions and the resulting speculation in small emerging countries. Every effort must be made to "manage" globalization through equitable rules that would be applicable both to the holders of capital and to the countries that received their investments.

41. In order to create an atmosphere of harmony and stability in the international financial system, reforms should also be made in the operations of international financial institutions in order to increase the participation of developing countries in decision making, to enhance transparency and to ensure that commitments and responsibilities were fulfilled, particularly within IMF. The International Monetary Fund also had a crucial role to play in regard to oversight. That oversight must be exercised in a more balanced fashion; in other words, it must be exercised in respect of the main industrialized countries and regional financial centres and not just the developing countries. Every effort must be made to ensure that the principle of conditionality was applied in a well-targeted manner, i.e., it should only be tied to the achievement of the objectives of the adjustment programme. Moreover, programmes designed by IMF should, insofar as possible, preclude interfering in the national decision-making process. The national authorities should have manoeuvring room concerning the conditions to be imposed, and all parties should receive equal treatment where conditionality was applied.

42. On the question of transparency and dissemination of information, she said that in order to ensure maximum efficiency and stability of world financial markets, there must be symmetry between the public sector and the private sector, for the sake of transparency. Some progress had been made in the case of private companies, but companies that traded on the stock market should also publicize the details of their financial transactions, in keeping with the regulations currently in force.

43. In the view of her delegation, additional measures were needed to address the matter of risk management and capital flows, namely: (1) at the international level, the oversight role of international financial institutions must be strengthened, including through the dissemination of information on important positions by operators and offshore financial centres; (2) at the regional level, oversight and financing mechanisms must be strengthened; (3) at the national level, a suitable timetable must be developed for liberalizing transactions and setting up risk-management procedures in order to reduce vulnerability.

44. Malaysia recognized that the current approaches to sovereign debt restructuring were of a supplementary nature, so that countries had some margin of flexibility. While her delegation agreed that the use of collective action clauses should facilitate the debt restructuring, she wished to point out that many emerging countries still had reservations on the matter.

45. Following the example of many developing or transition countries, Malaysia had taken several measures to strengthen its own financial system and establish more effective regulatory instruments with a view to offering stronger incentives. Her Government had drawn up a national framework plan for capital markets that envisaged the gradual implementation of a market-oriented regulatory system, the standardization of regulations with a view to ensuring parity of treatment for all agents conducting similar market transactions, the strict application of existing regulations and the strengthening of the capacity to maintain the stability of the overall financial system. That said, it should be noted that even though they were important, the measures taken by individual countries would not in themselves ensure worldwide financial stability. Given the interdependence of financial markets, international efforts needed to be coordinated and strengthened.

46. **Mr. Nteturuye** (Burundi) said that his delegation endorsed the statement made by the representative of the Group of 77 and China and announced that he would be speaking on agenda items 91(c) and (f).

47. Lack of access to the sea, isolation, long distances from world markets and exorbitant transport costs were serious obstacles to the achievement of

development goals. The Almaty Programme of Action offered a response to those challenges. It represented an appropriate framework for consensus in a spirit of international solidarity. However, honouring commitments was more important than merely expressing good intentions and good will. The peoples of poor landlocked countries would judge governments and the international community according to what they actually achieved.

48. The donor community should support the efforts of the landlocked developing countries to build their transport infrastructure. Regional transit transport structures needed to be strengthened, inter alia through a legal framework agreed on by the transit developing countries and their landlocked neighbours. International financial support was also needed.

49. Trade was a driving force of economic growth. Unfortunately, landlocked developing countries were handicapped by the extremely high costs of transport and the delays caused by customs formalities. That in turn made their products less competitive on world markets and increased their marginalization from the world economy. In that regard, his delegation invited the international community to make every effort to overcome the obstacles to negotiations in the World Trade Organization as soon as possible.

50. As far as the African continent was concerned, the actions advocated by the New Partnership for Africa's Development to address the challenges of landlocked countries focused on four issues: harmonization of transport rules and regulations and of visa issuance procedures; establishment of partnerships between the public and private sectors to build, equip and maintain transport systems; capacity building; and the promotion of transport development corridors.

51. At the national level, Burundi, a seriously landlocked country, had developed an interim strategic framework for economic recovery and poverty reduction. In regard to transport, the strategic framework accorded priority to the upgrading and development of several transport corridors and roads, the modernization of air transport, institutional capacity building, road construction and repair and the gradual transfer of certain responsibilities to the private sector.

52. In the wake of a civil war that had ruined the national economy, Burundi could not come out of its isolation and fight poverty without the support of the international community. The political conditions were now in place for donors to support the national reconstruction effort.

53. With regard to follow-up mechanisms, he said that his delegation invited the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States to mobilize the international community to keep its promises and regularly report on progress made towards the agreed goals.

54. **Mr. Valera** (Mexico) said that the participants in the International Conference on Financing for Development had agreed that the international financial system should support sustainable development, economic growth and poverty eradication and guarantee the mobilization of all sources of financing for development, including domestic resources, international flows, official development assistance and debt relief. In the view of his delegation, the reform of the international financial architecture should be followed through so as to create a more transparent system that would allow for the active participation of developing countries. The Bretton Woods institutions had called on the developing countries to comply with a set of international rules and codes pertaining to bank oversight and insurance, securities market regulation and means of payment. Those rules, which were based on existing practices in the industrialized countries, did not match the implementation capacity of the developing countries. The United Nations should help promote mechanisms for attracting international capital flows to the developing countries.

55. New ways should be found to solve the foreign debt problem of the developing countries; for example, international and regional financial institutions could provide technical assistance to developing countries so as to strengthen their debt- and risk-management capacities. Mexico was participating actively in multilateral and bilateral debt relief strategies; in 2000, it had begun to pay special drawing rights amounting to $40 million over a five-year period to finance loans granted by the International Monetary Fund. In addition, it had restructured at the bilateral level the debt of some Central American countries. Given the importance of restoring the financial sustainability of the heavily indebted poor countries, Mexico welcomed the initiatives that were currently underway to solve the debt problem.

56. **Mr. Buffa** (Paraguay), speaking on agenda items 91(c) and (f), said that the particular needs and problems of landlocked developing countries had been brought to light at the International Ministerial Conference held in Almaty, Kazakhstan. The Almaty Programme of Action stressed cooperation aimed at improving the infrastructure for modernizing transit transport and reducing its cost. Paraguay attached great importance to the different initiatives that had been taken in the Latin American region. The bilateral and multilateral trade negotiations, particularly in the framework of WTO, should take into account the special problems of landlocked developing countries in order to enable those countries to benefit from preferential access to markets for their agricultural and non-agricultural products. Such access was absolutely necessary because of the excessive costs involved in transporting goods to ports and the deterioration of international prices of agricultural products. The breakdown of talks at the recent Ministerial Conference in Cancun was a sign of the inflexibility of trade negotiations. Paraguay was trying to coordinate the position of the landlocked developing countries, as mentioned in document A/C.2/58/3. True cooperation for the improvement of transit transport would involve the active and determined participation of all those who were committed to the Almaty Programme of Action, namely, landlocked developing countries, transit developing countries, donor countries, international and regional financial institutions and United Nations agencies.

57. **Mr. Ramadan** (Lebanon) said that his delegation supported the statement made by the representative of Morocco on behalf of the Group of 77 and China. He had two observations on the question of the foreign debt and financial systems. In the first place, the alarming level of the foreign debt of developing countries in general and of countries with weak or intermediate revenues in particular was a serious obstacle to the achievement of the Millennium Development Goals. If it was difficult to ensure debt sustainability, that was in large part because of the inadequacy of official development assistance, the increase in net capital transfers from developing countries and the drop in those countries' export revenues. His delegation was concerned at the lack of progress of efforts made in the context of the Heavily Indebted Poor Countries Initiative, but welcomed the proposals contained in the communiqué issued by the G-8 finance ministers in Deauville with regard to the reform of the Paris Club and to debt relief. He also wished to stress the importance of the current discussions on sovereign debt restructuring and the efforts of the Secretary-General in that regard.

58. With the help of friendly countries such as France, Saudi Arabia, Kuwait, the United States, Malaysia and others, Lebanon had obtained loans on favourable terms ($4.3 billion) that would help it restructure its exorbitant national debt ($28.9 billion as of June 2002), in October 2002 in the context of the Paris Club. Lebanon was determined to meet all its financial obligations by undertaking simultaneous reforms in order to accelerate its economic recovery.

59. **Ms. Ching** Yu Yao (United Nations Industrial Development Organization) said that the contribution of UNIDO to the field of science and technology was possible because it recognized that technological progress, modernization and the dissemination of technologies were crucial to the growth of productivity. Its contribution was two-pronged: on the one hand, it disseminated technologies through activities designed to promote the learning, assimilation and mastery of technology and, on the other hand, it provided capacity building to facilitate market access and development through initiatives aimed at enabling small and medium-scale enterprises (SMEs) to adapt to domestic and foreign competition.

60. The work of UNIDO in those two areas was based on several guiding principles: (1) inclusion of the private sector as a key actor in development strategies; (2) promotion and accumulation of know-how, technological modernization and technological change; (3) giving priority to competitive industries that encouraged new investment in the economy and explored export potential; (4) appreciation for the crucial role of small and medium-scale enterprises in the growth of productivity, particularly in rural economies; (5) the use of ecologically sound high-performance technologies so as to limit the harm caused to the environment and ensure sustainable growth.

61. Acting on those principles, UNIDO was developing and implementing programmes designed to accelerate the transfer and mastery of technological know-how and facilitate market access and development, the ultimate objective being to achieve productivity gains. To ensure that the knowledge acquired would be used productively, UNIDO also

planned, in the context of its programmes, to carry out activities involving institutional capacity building, human resources training and the development of an enterprising spirit. It gave priority to initiatives aimed at helping small and medium-scale enterprises and marginalized population groups to fight poverty and promote sustainable development.

62. One of the main areas in which UNIDO had made a significant contribution to the promotion of science and technology was that of biotechnology. It was working with the Government of Chile on the organization of the first Global Biotechnology Forum, to be held in Chile in March 2004. The Forum would offer all stakeholders the opportunity to consider questions relating to the development, accessibility and application of biotechnologies.

63. The Organization welcomed the idea of participating in the World Summit on the Information Society. It was actively involved in the work of the high-level organizing committee.

64. In conclusion, she said that UNIDO expected to continue playing a key role in encouraging the dissemination of technological know-how at the international level and enabling the developing countries to take advantage of such know-how in a complex and fast-moving world economy, in which knowledge and technology played an essential role.

Organization of work

65. At the request of several delegations, **the Chairman** suggested that during Ramadan, up to 25 November, afternoon meetings should end at 4.30 p.m.

66. *There being no objection, it was so decided.*

The meeting rose at 1.00 p.m